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Annual Report
Financial statements for the
year ended 31 Dec 2023

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Assembly members and advisors

PRESIDENT

Claire Anderson

APPOINTED

July 2021

TREASURER

Sibby Buckle

July 2022 until July 2023

Alisdair Jones

July 2023

Assembly

NATIONAL BOARD CHAIRS

APPOINTED

Andrew Carruthers

June 2021

Thorrún Govind

June 2021 until June 2023

Tase Oputu

June 2023

Cheryl Way

June 2021 until June 2023

Geraldine McCaffrey

June 2023

OTHER MEMBERS

APPOINTED

Martin Astbury

July 2021 until June 2023

Mary Evans

July 2022 until June 2023

Tase Oputu

July 2021 until July 2023

Alisdair Jones

July 2021 until July 2023

Geraldine McCaffrey

July 2022 until July 2023

Mike Hannay

July 2021 until July 2023

Audrey Thompson

July 2022

Sorbi Khattak

July 2023

Cheryl Way

July 2023

Brendon Jiang

July 2023

Ciara Duffy

July 2023

Thorrún Govind

July 2023

Lynne Smith

July 2021

Gino Martini

July 2023

Ruth Edwards

July 2022

CHIEF EXECUTIVE

Paul Bennett

PRINCIPAL OFFICE

66 East Smithfield, London, E1W 1AW

AUDITOR

Buzzacott LLP

130 Wood St, London, EC2V 6DL

SOLICITOR

Laytons Solicitors LLP

2 More London Riverside, London, SE1 2AP

BANKER

National Westminster Bank

10 Southwark Street, London, SE1 1TJ

Letter from our President and Chief Executive

**CLAIRE ANDERSON, FRPHARMS,
FFRPS, FFIP, FRSPH**
PRESIDENT



PAUL BENNETT, FRPHARMS
CHIEF EXECUTIVE



It is with pleasure that as President and Chief Executive we present to you the Financial Statements of the Royal Pharmaceutical Society (“RPS”) for the year 2023. As is our usual custom, the accounts are published fully and openly and have been subject to an independent external audit that conforms to Financial Reporting Standards.

In this letter, we strive to place the context around the financial performance achieved. We will again be producing an Annual Review that will sit alongside these Financial Statements and which will cover in more detail the activities of the RPS and the work we have been undertaking on behalf of our members and the wider profession. What has continued to feature strongly, in a continuation of the work undertaken in 2022, is the collaboration and partnership working with other professional leadership bodies and specialist pharmacy groups.

The RPS is not immune to the wider economic challenges faced by the UK and other countries, and neither are our members and customers. As you will see within our accounts, the performance of financial markets has impacted our investments adversely, largely because our investment portfolios have been cautious and not positioned to take advantage of stock market movements, notably in US technology stocks. Our investment in the Ruffer Diversified Growth Fund fell £915,000 (11%) during the year. However, action taken during the year under the guidance of our Finance and Investment Committee and the Assembly, has meant that we have further diversified our investments, and this has shielded us from even greater potential negative performance had we not done so. Having opened an investment portfolio with CCLA in June 2023, we saw our investment there grow by £189,000 (9%). Our year-end balance in investments stood at £9,613,000 with a further £1,000,000 held in cash waiting to be transferred into CCLA. On a more positive note, our cash rose by £1,432,000 over the course of the year and cash at bank exceeded budget every month of the year which has enabled us to make better use of Treasury Deposits as part of our financial strategy. We take financial planning and management of our investments extremely seriously and are continuing to take steps to ensure these are protected should the UK enter a deeper recession than the technical recession recently confirmed.

Total income of £26,254,000 (which includes interest on investments and a pension reserve) was £653,000 higher than the previous year. Positive contributions came from our knowledge business, Pharmaceutical Press, with a turnover of £18,757,000 (up from £18,500,000 the previous year), income from membership, education and professional leadership activities at £6,869,000 (up from £6,431,000 the previous year) and other directorate income all played a positive part in achieving this milestone. This is important to our members and the profession as it clearly demonstrates the viability of RPS as a mature professional leadership organisation that attracts investment and commissions from various parties and delivers on its contracted commitments to each.

Our habit of focusing on driving revenue generation and controlling operating costs meant that the RPS achieved a fourth consecutive year of operating surplus. Surplus generation of £1,563,000 (a positive variance to budget of £1,270,000 and £823,000 higher than the previous year) was driven by a combination of factors, including revenues from commissioned services, savings against staff cost budgets, reduction in financial contributions to the RPSGB Defined Benefit pension scheme as agreed with the Trustees because of a recent fund valuation, as well as lower amortisation charges.

We have a not-for-profit ethos at RPS, so the operating surplus generated this year, as in previous years, is earmarked for investment in product and services that make a difference to our members' working lives and for the advancement of the profession, ultimately for patient and public benefit. Our work on advocating for the profession, attendance at each of the three seats of government across Great Britain and meetings with MPs, MSPs and MSs as well as development of three compelling visions for pharmacy recognising the importance of a devolved healthcare system, could not happen without a financially strong RPS behind it. Our involvement in policy development, professional standards and guidance, as well as production of educational resources and events for members, are equally dependent.

We recognise that RPS has to continue to fight for your support and to demonstrate value in membership, which is why we strive to demonstrate relevance to you in all that we do. We have been working hard on developing our membership value

proposition, on listening to what our members have said, and have acted when we haven't got things right. Having re-joined the International Pharmaceutical Federation ("FIP") in 2023, after a one-year absence, we have positively engaged with FIP colleagues at their Congress, at Council meetings, at regional events and through our connections with the Executive Committee of the Community Pharmacy Section. Our work with the Commonwealth Pharmacists Association and our colleagues in other overseas bodies has seen us present at various conferences and allowed us to demonstrate the strength of pharmacy in Britain and across the UK and showcase the work that our members undertake.

We have worked in support of our early career pharmacist members, to advocate for change where there isn't a level playing field and celebrated the participation and engagement with our student members, particularly those who are members of the British Pharmaceutical Students' Association ("BPSA"), the student body of the RPS.

We know there is excitement about the future of the profession, what opportunities prescribing will bring, the introduction of new national services that expand the clinical scope of practice and the advances and development in pharmaceutical science.

The joint activity we have undertaken with Pharmacy Support, the profession's charity, has however kept us in the real world. We heard recently from participants in our joint workforce wellbeing survey that a shocking 86% of pharmacists are at high risk of burnout. There is an urgent need for system reform and support, including protected learning time and changes to regulations that allow pharmacists to use their teams to greater effect in the safe and effective delivery of care. We will utilise our strong financial position to fight for these things to happen and for our members to be professionally supported so that they can provide the highest level of patient care.

As we said last year, a resilient, viable and sustainable RPS is necessary for a strong, independent voice for pharmacy, and we are pleased that this set of financial results yet again affirms that RPS has the financial assets and resource to do what is necessary on behalf of its members and in the interests of the public good.

Report of the Assembly

The Assembly presents its report and the audited financial statements of the Royal Pharmaceutical Society of Great Britain, trading as the Royal Pharmaceutical Society (“the RPS”) for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Royal Pharmaceutical Society is the professional leadership body for pharmacists and pharmacy in Great Britain. We advance the profession of pharmacy for public and patient benefit to secure the future of the profession and our members.

We lead and promote the advancement of science, practice and education in pharmacy to shape and influence the future delivery of pharmacy-driven services.

We support and empower our members to improve health outcomes for society through professional guidance, networks and resources.

We do this by providing:

Leadership

We ensure the voice of the whole profession is heard at the highest levels of healthcare and government through our responses to consultations, influencing policy development and through our expert advisory panels.

Professional recognition

We provide our members with professional recognition through post nominals. We are developing curricula and credentials for pharmacists enabling recognition for their level of practice by employers, commissioners, patients and the public. Our expert members regularly appear in the media to ensure the public has the best information when medicines are in the news.

Networking

RPS local groups have been formed to enable professional conversations, which will be further enhanced by our online community.

Support and development

We produce professional guidance and support tools to develop and supplement our members’ skills and knowledge. We work in collaboration with royal colleges to develop guidance that supports effective patient care.

Medicines Information

We provide healthcare professionals, students and scientists with the most trusted and usable data, information and therapeutic guidance on drugs and medicines.

GOVERNANCE

The Assembly agrees the overall strategy and top-level objectives, with Pharmacy policymaking at national level being the delegated responsibility of the National Boards. The National Boards in turn set Pharmacy policy and objectives within the overall strategy and ask the relevant National Director to implement them.

The Assembly also delegates responsibility for the strategic direction of the Pharmaceutical Press to the Pharmaceutical Press Board.

Every two years, the Assembly elects the President and Treasurer, who constitute the Officers.

CHAIRS AND OFFICERS GROUP

The Assembly authorises a group comprising the Officers and Board Chairs:

- To appoint the Chair and members of the Finance and Investment and Audit and Risk Committees;
- To deal with issues arising which require an urgent response that do not fall within the delegated authorities of other governance bodies. Where this concerns new policy, actions would be subsequently ratified by the Assembly as appropriate;
- To deal with matters delegated by the Assembly; and
- To communicate immediately to the members of the Assembly any actions/decisions agreed, unless precluded from doing so by confidentiality.

FINANCE AND INVESTMENT COMMITTEE

The Committee comprises four members of the Assembly and/or National Boards and the Treasurer, and two independent members.

The Finance and Investment Committee is established to:

- Review the proposed Budget and its alignment with approved business plans in advance of each financial year and report its opinion to the Assembly prior to the budget being signed off;
- Monitor the integrity of the financial statements, including reports on financial performance, reviewing significant reporting issues and judgements which they contain, assess and make recommendations to the Assembly on any significant variances against approved budgets;
- Recommend approval of the annual financial statements to the Assembly;
- Assess the adequacy of internal and external financial reports and that reports are accurate and timely, assess the effectiveness and adequacy of accounting, financial and operating controls and satisfy itself that the annual financial statements represent fairly the financial position of the RPS;
- Review significant accounting policies and procedures and recommend changes to the Assembly review and monitor the appropriateness of the RPS's financial reserves policy;

- Monitor the effectiveness of the arrangements in place to secure economy, efficiency and effectiveness, and value for money;
- Oversee short and long-term investments;
- Review the investment strategy and make recommendations to the Assembly for change where deemed appropriate, review the current Statement of Investment Principles (SIP) and recommend changes as required for consideration by the Assembly;
- Review the implementation of approved capital projects to determine if the agreed objectives are being achieved and review post-implementation reports;
- Monitor the Society's investment portfolio;
- Ensure that the portfolio is performing to expectations;
- Assess if the policy between asset classes and asset managers is deemed appropriate;
- Monitor the exercise of the investment powers that have been delegated to the fund managers;
- Appoint (and when necessary dismiss) the investment managers and investment consultants;
- Periodically review the appropriate amount of funds to deposit with the Fund Manager, balanced against the competing needs for investment in the RPS and cash flow forecasts;
- Review the investment in property assets and the balance between this and other investment options

The Finance and Investment Committee met three times in 2023 and the following issues were considered:

- Financial performance: regular reviews of the RPS's financial performance for 2023;
- Three-year business plan: review of the financial plans on behalf of the Assembly, where ultimate fiduciary duty lies;
- Investment strategy: the annual review of the investment fund's overall objectives and performance was also undertaken.

AUDIT AND RISK COMMITTEE

The Committee consists of two appropriately skilled members of the Assembly who are not Officers of the RPS or Board Chairs, one lay member of the Assembly, one external, appropriately skilled, lay Chair and one additional external member who has finance and audit expertise.

The Audit and Risk Committee is established to:

- Advise on the appointment of external financial auditors;
- Set the remit for the audit;
- Review, with the auditors, the outcome of the audit and satisfy itself that the management response to any issues raised is appropriate;
- Oversee a rolling programme of internal audits, which is designed to provide a flexible framework around which new business risks and opportunities can be identified and tested;
- Monitor the integrity of internal controls, including review of internal audit and other management reports on the effectiveness of the systems of internal control;
- Keep the Risk Register under review and advise the Assembly accordingly;
- Ensure the RPS's procedures for ensuring legal compliance in all areas are implemented and enforced;
- Ensure appropriate arrangements for staff to raise concerns about possible improprieties;
- Review anti-fraud and whistleblowing policies;
- Assess the scope and effectiveness of the systems designed to identify, assess, manage and monitor significant risks.

The Audit and Risk Committee met three times during 2023 and the following issues were considered:

- Risk Management and Business Continuity: as the RPS evolves as a business, so do the risks it faces. The committee continued to ensure that the Executive Team and Assembly maintained awareness of the key risks facing the RPS and that suitable action plans were in place to deal with them

- External Audit: members noted the post-audit report for the 2022 audited accounts;
- Internal Audit: with the Committee's input, the programme of internal audit work continues to test a range of financial and non-financial systems and processes, thus providing assurances that they are robust, and where weaknesses are uncovered, the necessary changes are made;
- Cyber-crime and IT Security: the Committee continues to monitor the threat of cyber-crime as the organisation continues to evolve in an increasingly digital, data-driven world. Mitigating cyber risks and preventing attacks by way of a cyber risk management strategy helps identify the risks and put the correct defences in place;
- Data Protection: the Committee continues to ensure that privacy is embedded into any new processing or product that is deployed and has clear policies to ensure the RPS reacts quickly to any data breach.

RISK MANAGEMENT

The RPS policy on risk management continues to be reviewed to ensure that it meets the requirements in terms of identifying risk across the organisation and that the control and assurance measures in place are appropriate and proportionate to deal with these risks. The consideration of risk is embedded across the organisation and is reviewed monthly by the Executive and at the Audit and Risk Committee and the Assembly meetings.

In the area of business continuity, the plans are subject to continual review. It will be necessary to test the current plans and to engage on an exercise to communicate the plans to managers and other staff.

The IT architecture has also been significantly improved with automatic failover in the event of a problem with an internet connection and increased capacity to improve resilience at all locations. The security of the RPS Museum and Library assets, hardware and staff are covered by an extensive range of security devices at the London headquarters.

Some of the areas which pose a higher risk to the RPS business plan are as follows:

- Member retention and recruitment;
- Competition from other bodies within the pharmacy sector;
- Cyber-crime and IT security;
- Data protection;
- Security of assets and information;
- Potential increase in pension costs.

The RPS has a robust governance process to ensure that investments being made achieve the objectives set.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the President, the Treasurer, the Chairs of the three National Boards and one lay member. The Committee agreed a 5% basic salary increase for all staff in 2024.

THE EXECUTIVE TEAM

Consisting of the Chief Executive and Directors, the Team has delegated responsibility for the day-to-day management of the RPS. The Executive Team in turn provides the Assembly, boards and committees with sufficient information on a timely basis in regard to the performance, financial condition, operating results and prospects of the RPS to enable the organisation to fulfil its governance responsibilities.

Each year, there are three formal meetings of the Assembly, as well as one strategy day. Further meetings of the Assembly can be called if necessary.

PENSION SCHEME

The RPSGB defined benefit scheme was closed to new entrants in 2012.

The latest information on the pension scheme is given below:

There was a triennial Actuarial Valuation, (as at 31 December 2021), undertaken on behalf of the Trustees in 2022. The Assembly and Trustees at that time agreed that the annual contribution would decrease to £300,000 per annum from 2023 to 2026. This triennial Actuarial Valuation, (as at 31 December 2021) was agreed in advance of the Pension Regulator's March 2023 deadline.

The Trustees, in consultation with the RPS, have maintained the mid- to long-term strategy to de-risk the Scheme's assets and more closely match its liabilities. Both the Trustees and the RPS recognise the problems financial market volatility can cause in pension funding and planning.

The strategy implemented during 2011 to move from equities to bonds when key trigger points in relative bond/equity positions are reached, has been continued. This was continuously reviewed at Trustees meetings based on sound advice from actuarial and financial advisors and amended if decided appropriate and in the best interests of the Scheme.

In previous years, the Trustees have undertaken a 'buy-in' in respect of the current pensioners to remove the risk of increased costs arising from extended life projections. This 'buy-in' represents an insurance policy that would pay an annuity to the fund and does not favour any particular group of pensioners. It was not economic to do the same for deferred pensioners as the insurance pricing for the uncertainty of this group was cost prohibitive.

More information regarding the Pension Scheme can be found in note 19 to the Financial Statements. This information includes disclosures required by FRS102.

FINANCIAL RESULTS

The operating surplus for 2023 is £2,105,000. The comparative result for 2022 was a surplus of £1,316,000. Prior to any movements arising from revaluations to property or the Defined Benefit pension scheme this surplus was £1,563,000. The comparative result for 2022 was a surplus of £740,000.

Total revenues increased by £653,000 from £25,601,000 to £26,254,000 in the year. Total publishing revenues grew by 1.5%, with 10% year-on-year growth in digital revenues, offset by falling revenues from traditional print publishing, which fell by 42%.

Membership numbers fell slightly over the year, and we have 37,474 total members at the end of 2023 compared with 38,193 at the end of 2022. We have seen growth in Student numbers, however, the number of full members, which is the largest category, remains a challenge. Consequently, membership revenues fell 4% to £4,500,000 (2022: £4,689,000).

Whilst building membership remains a challenge, these positive results build on recent positive growing revenues which, coupled with strong cash generation, have allowed us to continue investing in valuable membership and publishing products and services. A more detailed analysis of income and expenditure is included in note 2 to the Financial Statements to enhance transparency and help with the interpretation of the financial information.

During 2023, £2,000,000 was transferred from the Ruffer Fund into CCLA's Better World Global Equity Fund, rebalancing our underexposure to equities in the overall portfolio. The CCLA fund is 100% invested in equities, with greater exposure to global equity markets with a particular emphasis on the US. Ruffer closed the year down 11% at £7,425,000 (with a further £1m held as cash awaiting transfer to CCLA), whilst CCLA increased 9% to £2,189,000. The total value of listed investments at year-end was £9,614,000 excluding the £1m held as cash awaiting transfer to CCLA (2022: £11,340,000).

All investments integrate the core principles of ESG, with our majority investment provider offering equity exclusions on companies in the following sub-sector classifications: Integrated Oil and Gas, Oil: Crude Producers, Offshore Drilling and Other

Services, Oil Refining and Marketing, Oil Equipment and Services, Pipelines and Coal. Our minority investment provider prohibits direct investment in companies with weak environmental, social and governance behaviours, as well as excluding businesses that do not conform with the UN Global Compact or UN Guiding Principles for business and human rights. There are additional restrictions in areas such as tobacco, gambling and other unethical practices.

After incorporating losses on investments, interest and the tax liability for the year, the final result is a surplus of £1,335,000. The comparative result for 2022 was a surplus of £1,184,000.

The defined benefit pension scheme on the FRS102 basis as at 31 December 2023 indicated an actuarial surplus of £3,193,000 (2022: £4,781,000 surplus). Under the Scheme regulations, the Society can only recognise a plan surplus as a Defined Benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the defined benefit plan asset has been capped at £nil on the balance sheet.

It is important to note that the RPS's FRS102 actuarial valuation uses different assumptions to those used by the Scheme actuary acting on behalf of the Trustee for the RPSGB Pension Scheme for the purposes of the triennial valuations. As a consequence, these valuations produce very different outcomes, with the actual Scheme remaining in actuarial deficit (on the triennial basis) and the Society needing to continue to make contributions.

The three properties owned across England, Scotland and Wales, were formally revalued as at 31 December 2023 and owing to a deterioration in market conditions, in particular within London, the fair market value for 66 East Smithfield has fallen by £3,773,000.

Total funds have decreased in the year to £28,785,000 (2022: £31,801,000).

In conclusion, the RPS remains strong financially, despite challenging economic and political conditions in the UK and globally.

STATEMENT OF THE ASSEMBLY'S RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Assembly is responsible for preparing the Report of the Assembly and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

By Royal Charter, the Assembly is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the RPS and of the income and application of resources, including the income and expenditure, of the RPS for that period.

In preparing these financial statements, the Assembly is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether United Kingdom Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RPS will continue in operation.

The Assembly is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RPS. They are also responsible for safeguarding the assets of the RPS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Assembly members confirms that:

- So far as the member is aware, there is no relevant audit information of which the RPS's auditor is unaware;
- The member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the RPS's auditor is aware of that information.

The Assembly members are responsible for the maintenance and integrity of financial information included on the RPS website. Legislation in the

United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Assembly



Alisdair Jones

Treasurer

27 March 2024



Paul Bennett

Chief Executive

27 March 2024

Independent auditor's report to the Assembly of the Royal Pharmaceutical Society of Great Britain

OPINION

We have audited the financial statements of the Royal Pharmaceutical Society ("the RPS") for the year ended 31 December 2023 which comprise the statement of income and retained earnings including the statement of other comprehensive income, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the RPS's affairs as at 31 December 2023 including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the RPS in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Assembly's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the RPS's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Assembly with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The members of the Assembly are responsible for the other information. The other information comprises the information included in the report of the Assembly and the Letter from the President and Chief Executive, other than that within the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the RPS and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns;
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE ASSEMBLY

As explained more fully in the statement of the Assembly's responsibilities, RPS members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether owing to fraud or error.

In preparing the financial statements, the members are responsible for assessing the RPS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the RPS or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether owing to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the RPS and the sector in which it operates. We determined that the following laws and regulations were most significant: the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), anti-bribery regulations, employment law, health and safety legislation and data protection regulations
- We understood how the RPS is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Assembly minutes and papers provided to the Audit and Risk Committee

- We assessed the susceptibility of the RPS's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process.
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the members of the Assembly, as a body, in accordance with the regulations of the RPS. Our audit work has been undertaken so that we might state to the RPS's members those matters we are required to state to them in an auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the RPS and the RPS's members as a body, for our audit work, for this report, or for the opinions we have formed.



BUZZACOTT LLP
STATUTORY AUDITOR
130 Wood Street
London
EC2V 6DL

Statement of income and retained earnings

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000s	2023 £000s	2023 £000s	2023 £000s	2023 £000s	2022 £000s
		GENERAL RESERVE	PENSIONS RESERVE	INVESTMENT RESERVE	PROPERTY RESERVE	TOTAL	TOTAL
Income	2	25,626	346	282	-	26,254	25,601
Expenditure	2	(24,063)	-	(86)	-	(24,149)	(24,285)
Operating surplus		1,563	346	196	-	2,105	1,316
Net investment losses	10	-	-	(770)	-	(770)	(132)
(Deficit)/surplus on ordinary activities before taxation	5	1,563	346	(574)	-	1,335	1,184
Taxation	6	-	-	-	-	-	-
(Deficit)/surplus on ordinary activities after taxation		1,563	346	(574)	-	1,335	1,184
Transfers between funds		-	-	-	-	-	-
Other recognised gains and losses							
Property revaluation (loss)		(2,210)	-	-	(1,563)	(3,773)	-
Pension scheme actuarial (loss)	18	-	(346)	-	-	(346)	(552)
Deferred tax	17	-	-	(232)	-	(232)	61
Retained (deficit)/surplus for the year		(647)	-	(806)	(1,563)	(3,016)	693
Transfers between funds		(4,035)	-	4,035	-	-	-
Reconciliation of funds							
Total funds brought forward		18,012	886	11,340	1,563	31,801	31,108
Accumulated funds as at 31 December		13,330	886	14,569	-	28,785	31,801

Balance sheet

AS AT 31 DECEMBER 2023

	Note	2023 £000s	2023 £000s	2022 £000s	2022 £000s
Fixed Assets					
Heritage Assets	6		3,500		3,500
Intangible assets	7		1,464		247
Tangible assets	8		9,030		17,273
Investments	9		14,149		11,340
			28,143		32,360
Current assets					
Stock	10	112		71	
Debtors	11	4,907		4,693	
Short term deposits		4,000		-	
Cash in hand and at bank		3,134		5,703	
		12,153		10,467	
Creditors: amounts falling due within one year	12	(3,327)		(3,093)	
			8,826		7,374
Net current assets					
Total assets less current liabilities			36,969		39,734
Creditors: amounts falling due after one year			-		(50)
Deferred income	13		(7,844)		(7,775)
Deferred tax asset	16		(340)		(108)
			28,785		31,801
Funds employed					
General reserve			13,330		18,012
Property revaluation reserve	15	-		1,563	
Investment reserve:					
Historical cost	14	12,830		9,659	
Revaluation reserve	14	1,319		1,681	
			14,569		12,903
Revaluation reserve					
			27,899		30,915
Total funds before pension					
Pension scheme reserve			886		886
			28,785		31,801
Total funds					

The financial statements were approved by the Assembly on 27 March 2024 and were signed on its behalf by Claire Anderson and Alisdair Jones:


Claire Anderson
 President


Alisdair Jones
 Treasurer

Statement of cash flows

YEAR TO 31 DECEMBER 2023

	Note	2023 £000s	2022 £000s
Cash flows from operating activities:			
Net cash provided by operating activities	A	2,034	1,754
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(28)	(79)
Payments to acquire intangible fixed assets		(1,313)	7
Payments to acquire investments		(12,567)	(12,486)
Receipts from disposal of investments		13,233	12,954
Investment income received		282	118
Net cash provided by investment activities		(393)	514
Change in cash and cash equivalents in the year		1,641	2,269
Cash and cash equivalents at 1 January	B	6,951	4,683
Cash and cash equivalents at 31 December	B	8,592	6,952

Notes to the cash flow statement

YEAR TO 31 DECEMBER 2023

	Note	2023 £000s	2022 £000s
A. Reconciliation of net movement in funds to net cash provided by operating activities			
Net income before transfers		1,335	1,184
Pension adjustment		(346)	(552)
Amortisation charge		96	216
Depreciation charge		462	456
Impairment charge		-	483
Net investment losses		770	132
Investment income		(282)	(118)
Increase in stocks		(41)	(32)
Increase in debtors		(214)	(200)
Increase in creditors		252	186
Net cash provided by in operating activities		2,034	1,754

	At 31 December 2023 £000s	At 31 December 2022 £000s
B. Analysis of changes cash and cash equivalents		
Cash at bank and in hand	3,134	5,703
Short term deposits	4,000	-
Cash held by investment managers	1,458	1,249
Total	8,592	6,952

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below. The policies have been applied consistently throughout the year.

A ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounts are presented in sterling and are rounded to the nearest thousand pounds.

B GOING CONCERN AND AREAS OF CRITICAL JUDGEMENT

The Assembly members have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Assembly has made this assessment in respect of a period of one year from the date of approval of these accounts.

The Assembly members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the RPS to continue as a going concern. The Assembly have considered the impact of the coronavirus pandemic but at the current time it is believed that the ongoing risks can be managed. The Assembly are of the opinion that the RPS will have sufficient resources to meet its liabilities as they fall due.

Preparation of the accounts requires the Assembly to make critical judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

Licensing income: an element of the reportable licensing income is a combination of deferred and accrued income, as determined by the contractual terms of each agreement

Product development: determining the split of product development expenditure between capital and revenue, which is based on an approximate calculation of staff time spent on different parts of the project.

Freehold and investment properties: The properties were formally revalued as at 31 December 2023, by a registered valuer, Pelham Lease Advisory, in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards.

- **Heritage assets:** The value of heritage assets is based on the fair value at the time of formal valuations taking place, with a desktop assessment of any material changes considered on an annual basis. The Assembly do not believe there to be any material change in the carrying value since formal valuation (see note d for further information).
- **Pension assets:** The present value of the defined benefit liability or asset depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability (see note I for further information).

C CAPITALISATION POLICY

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

D HERITAGE ASSETS

The RPS's heritage assets comprise collections of books, drug jars, silver plates and general artefacts. Any additions to the collection are now received by way of donations. See note 8 for further information.

Heritage assets have been recognised in the balance sheet separately from other assets at a valuation that reflects the value of the asset at

the time it was acquired by the charity. The assets have been valued by St George Valuations, taking into account full market value. The work was begun in 2015 and was completed in early 2016. This was treated as deemed cost.

The RPS carries out an annual impairment review to assess whether a heritage asset is impaired and, if so, to recognise and measure the impairment loss.

E TANGIBLE FIXED ASSETS

Depreciation is calculated in order to write off the cost of tangible fixed assets, less their estimated residual values, in equal annual instalments over the expected useful economic lives of the assets.

The principal annual rates in use are:

	Annual rates
Freehold property	2%
Short leasehold	Over life of the lease
Plant and machinery	5%-20%
Office equipment	10% - 33%

No depreciation is provided on freehold land and no depreciation is provided on assets in the course of construction.

The RPS has adopted a policy of revaluation for its freehold properties. This asset class was revalued as at 31 December 2023 to fair value at the date of revaluation. In subsequent years, freehold properties will be held at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period..

F INTANGIBLE FIXED ASSETS

Intangible assets are initially recognised at the cost to the RPS of acquiring these assets. Amortisation of intangible fixed assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives.

Intangible assets which are technological in nature are assumed to have useful lives of five years and are amortised accordingly at an annual rate of 20%.

Intellectual Property assets, categorised under intangible fixed assets, are deemed to have a longer estimated useful life, and are amortised at an annual rate of 10%.

An annual impairment review is carried out for each asset after it has been brought into use to re-assess its remaining useful life and that it still meets the definition of an intangible asset. Provision is made for assets where the net present value of future benefits is less than the carrying value.

G LISTED INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Where a portion of listed investments is to be sold for a cash drawdown to fund the RPS's operations in a period less than one year, this is shown under current assets. Cash held by investment managers is also shown within current assets. The remainder of the listed investments are considered fixed asset investments.

The main form of financial risk faced by the RPS is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

H UNLISTED INVESTMENTS

Unlisted equity investments are accounted for at fair value unless there is no available data or widely accepted model based on observable data for assessing this value, in which case they are carried at cost less impairment.

I INVESTMENT PROPERTY

Investment property, being a portion of the RPS's main property at 66 East Smithfield, is held by the RPS to earn rentals and for capital appreciation, rather than for use in the ordinary course of business. The investment property is measured at cost and subsequently at fair value at the reporting date. Professional advice is sought as appropriate to determine the valuation of investment property. Changes in fair values are recognised in the statement of income and retained earnings.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised. The cost of maintenance, repairs, and minor improvements is recognised in the statement of financial activities when occurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities.

J STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value and after making due allowance for obsolete and slow-moving items. Materials and associated pre-press costs make up the unit cost of printed goods. In line with industry practice, the RPS is writing off publication editorial costs as incurred.

K INCOME

Income from professional activities and publishing is stated net of Value Added Tax, where appropriate, and represents the invoiced value of goods and services supplied.

Membership fees and other subscriptions are recognised in the statement of income and retained earnings in the year to which they relate on a pro rata basis, with the excess of receipts over income recognised carried forward in the balance sheet as deferred income.

Interest on loans and deposits is accrued as earned.

L REVENUE GRANTS

Revenue grants receivable are matched against the expenditure of the specific projects in respect of which they are granted. Where projects span more than one accounting period, any excess of grants received over expenditure incurred to date is carried forward in the RPS's Balance Sheet as a current liability.

M FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies are translated into sterling using HMRC rates as at the balance sheet date. Foreign exchange differences are taken to the statement of income and retained earnings in the year in which they arise.

Forward currency contracts are a form of complex financial instrument. They are recognised at their fair value at the balance sheet date. Gains or losses arising during the year on such contracts are credited or debited to the statement of income and retained earnings.

N PENSION COSTS

The RPS operates a Defined Contribution arrangement for all eligible employees to which the RPS contributes varying percentages of salary depending upon the age of the employee. Contributions to the scheme are accounted for on an accruals basis.

As the Defined Benefit pension scheme accrual ceased from April 2012, there is no current service cost. The pension scheme assets are measured using fair values at each balance sheet date. The scheme's liabilities are measured using the projected unit actuarial method. Actuarial gains and losses, in respect of the RPS's Defined Benefit scheme, are recognised in other comprehensive income for the period. Other movements are allocated to the statement of income and retained earnings.

Under FRS 102, if the present value of a scheme's defined benefit obligation at the reporting date

is less than the fair value of its plan assets at that date, the plan is in surplus. Surpluses can only be recognised as an asset to the extent that the RPS is able to recover the surplus, either through reduced contributions in the future or through refunds from the plan. If the surpluses are unable to be recovered, the liability is capped at zero.

O DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

P CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Q CREDITORS AND PROVISIONS

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the RPS anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment, where such discounting is material.

R FUND STRUCTURE

The investment reserve comprises two elements: the cost of the RPS's investments and the total return earned on those investments. Total return comprises two elements: a capital return and an income return.

S OPERATING LEASE RENTALS

Operating lease rentals are charged to the statement of income and retained earnings over the lease term on a straight-line basis.

T DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the RPS's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

2 Income and expenditure

FOR THE YEAR ENDED 31 DECEMBER 2023

	Income		Expenditure	
	2023 £000s	2022 £000s	2023 £000s	2022 £000s
From professional body activities				
Professional Member fees	4,500	4,689		
Assembly	-	-	71	50
Chief Executive's Office	285	-	1,627	1,228
Education and Membership	1,605	1,273	3,805	4,928
Technology	-	-	3,780	2,372
Operations	479	468	3,099	3,525
Cost transfer to Pharmaceutical Press	-	-	(4,664)	(4,407)
Total from professional body activities	6,869	6,431	7,718	7,696
Pharmaceutical Press	18,757	18,500	11,681	12,088
Costs transfer to Pharmaceutical Press	-	-	4,664	4,407
Total Pharmaceutical Press	18,757	18,500	16,345	16,495
Total for the year	25,626	24,931	24,063	24,191

*In 2023, oversight of the three national boards was transferred from Education and Membership into the Chief Executive's Office. The income and expenditure numbers above reflect this change, as does the number employed shown in note 3 below.

3 Information regarding employees

FOR THE YEAR ENDED 31 DECEMBER 2023

Employee costs represent	2023 £000s	2022 £000s
Wages and salaries	10,369	10,083
Social security costs	1,063	1,095
Pension costs	894	1,239
	12,326	12,417

The number of persons employed by the RPS at the end of the year was:	2023 No.	2022 No.
Chief Executives Office	27	8
Education and Membership	47	61
Pharmaceutical Press	103	107
Operations	13	12
Technology	29	24
	219	212

Monthly average of employees in post during the year	2023 No.	2022 No.
	213	205

Chief Executive and Directors' remuneration	2023 £000s	2022 £000s
Basic salaries	1,503	1,482
Benefits	6	6
Pension contributions	102	90
	1,611	1,578

Chief Executive and Directors' remuneration, excluding employer pension and national insurance contributions, fell within the following ranges	2023 No.	2022 No.
£1-£70,000	3	2
£70,001-£80,000	2	2
£80,001-£90,000	-	2
£90,001-£100,000	3	4
£110,001-£120,000	2	1
£120,001-£130,000	1	1
£140,001-£150,000	1	1
£150,001-£160,000	1	2
£160,001-£170,000	2	-
	15	15

4 Surplus on ordinary activities before taxation

This is stated after charging:	2023 £000s	2022 £000s
Depreciation of fixed assets	558	671
Auditor's remuneration:		
Buzzacott LLP: audit services:		
Current Year	35	32
Buzzacott LLP: other services	16	22

5 Taxation

	2023 £000s	2022 £000s
(Loss) / Profit for the period	1,335	1,185
Expected tax charge at 19% (2022: 19%)	254	225
Effects of:		
Disallowable expenditure	264	253
Unrecognised deferred tax	(335)	(181)
Adjustment to opening deferred tax rate	(43)	730
Non-taxable income	(105)	(218)
Movement on pension scheme (see note 18)	302	241
Revaluation gains	-	-
Utilisation of brought forward tax losses	(337)	(1,050)
Actual tax credit	-	-

6 Heritage assets

The Museum of the RPS, established in 1842, has collections covering all aspects of British pharmacy history, including:

- Traditional dispensing equipment
- Drug storage containers
- Fine "Lambeth delftware" dating from the 1600s and 1700s
- Proprietary (brand name) medicines dating from the 1700s to present
- Bronze and bell metal mortars
- Medical caricatures
- Photo archive.

Preservation and management

The museum's curators are responsible for maintaining the museum's register of objects. There are around 45,000 objects within the collection, of which only a sample is on display at any one time. Objects in the stored collections are available to be viewed by appointment.

The RPS elected to value these heritage assets in the year to 31 December 2015 and this is treated as deemed cost.

7 Intangible fixed assets

	INTELLECTUAL PROPERTY £000s	PRODUCT DEVELOPMENT £000s	TOTAL £000
Cost			
As at 1 January 2023	240	1,012	1,253
Additions	-	1,313	1,313
As at 31 December 2023	240	2,325	2,566
Depreciation			
As at 1 January 2023	124	882	1,005
Charge for the year	25	71	96
As at 31 December 2023	148	953	1,101
Net Book Value			
As at 31 December 2023	92	1,372	1,464
As at 31 December 2022	117	131	247

8 Tangible fixed assets

	FREEHOLD PROPERTY £000s	PLANT & MACHINERY £000s	OFFICE EQUIPMENT £000s	TOTAL £000
Cost				
As at 1 January 2023	16,134	2,081	1,065	19,280
Additions	-	-	27	27
Net transfer to investment property (note 9)	(4,035)	-	-	(4,035)
As at 31 December 2023	12,099	2,081	1,092	15,272
Cost				
Cost	12,099	2,081	1,834	16,014
Valuation - 2023	-	-	-	-
	12,099	2,081	1,834	16,014
Depreciation				
Depreciation				
As at 1 January 2023	280	856	872	2,008
Charge for the year	285	108	69	462
Revaluation	1,000	-	-	1,000
Impairment	1,414	-	-	1,414
As at 31 December 2023	2,979	964	941	4,884
Net Book Value				
As at 31 December 2023	9,120	1,118	151	10,389
As at 31 December 2022	15,854	1,225	193	17,272

RPS's freehold properties were revalued as at 31 December 2023, by a registered valuer, Pelham Lease Advisory, in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards. Market value was used as the basis for fair value. At acquisition, components of the properties were allocated to freehold

property and plant for the purposes of calculating depreciation. The methodology adopted for the valuation of 66 East Smithfield was on a vacant possession basis, representing the RPS's current usage of the property. The transfer to investment property represents the two floors that are leased to an external party for rental yield.

9 Investments

	UNLISTED INVESTMENTS	INVESTMENT PROPERTY	LISTED INVESTMENTS	TOTAL 2023	TOTAL 2022
	£000s	£000s	£000s	£000s	£000
As at January 2023	-	-	11,340	11,340	10,706
Additions	500	-	12,069	12,569	12,486
Transfer from tangible fixed assets (note 8)	-	5,393	-	5,393	-
Disposal at book value (proceeds: £13,854,368 realised losses: £138,338)	-	-	(13,993)	(13,993)	(13,033)
Unrealised (losses)	-	(1,358)	(1,260)	(2,618)	(68)
As at 31 December 2023	500	4,035	8,156	12,691	10,091
Cash held for reinvestment	-	-	1,458	1,458	1,249
Total investments as at 31 December 2023	500	4,035	9,614	14,149	11,340
Historical cost of investments as at 31 December 2023	500	427	11,903	12,830	9,659

10 Stocks and work in progress

	2023 £000s	2022 £000s
Work in progress	5	6
Finished goods and goods for resale	107	65
	112	71

11 Debtors

	2023 £000s	2022 £000s
Trade debtors	2,682	2,604
Prepayments and accrued income	1,800	1,804
VAT debtor	425	285
	4,907	4,693

12 Creditors

Amounts falling due within one year	2023 £000s	2022 £000s
Trade creditors	1,143	1,351
Other taxes and social security	291	275
Other creditors	1,035	689
Accruals	858	777
	3,327	3,093

13 Deferred income

Income has been deferred as a result of the RPS receiving amounts in advance of the period that they relate to for activities that have been analysed below:

Deferred income	2023 £000s	2022 £000s
Subscription income	4,809	4,665
Licensing income	1,430	1,730
Membership income	716	570
Other income	889	810
	7,844	7,775

14 General Reserve

The makeup of the general reserve as at 31 December 2023 is	2023 £000s	2022 £000s
General reserve as at 1 January 2023	18,012	17,431
Operating surplus	1,563	740
Property revaluation (loss)/gain	(2,210)	-
Transfer of funds to investment reserve	(4,035)	(159)
As at 31 December 2023	13,330	18,012

15 Investment Reserve

The makeup of the investment reserve as at 31 December 2023 is	2023 £000s	2022 £000s
Investment reserve as at 1 January 2023	11,340	11,502
Transferred from property revaluation reserve	4,035	159
Deferred tax	(232)	(214)
Net investment gains	(770)	(131)
Surplus of investment income over management expenses	196	24
	14,569	11,340

	INCOME RETURN £000s	CAPITAL RETURN £000s	TOTAL £000
Unapplied total return available within the investment reserve			
As at 1 January 2023	305	3,021	3,326
Returns in the period	196	(770)	(574)
As at 31 December 2023	501	2,251	2,752

16 Property revaluation reserve

The makeup of the property investment reserve as at 31 December 2023 is	2023 £000s	2022 £000s
As at 1 January 2023	1,563	1,684
Property revaluation (loss) / gain	(1,563)	-
Deferred tax	-	(121)
As at 31 December 2023	-	1,563

17 Pension reserve

The makeup of the pension reserve as at 31 December 2023 is	2023 £000s	2022 £000s
As at 1 January	886	490
Income	346	552
Pension scheme actuarial (loss)	(346)	(552)
Deferred tax	-	396
As at 31 December	886	886

18 Deferred Tax Liability

	2023 £000s	2022 £000s
Opening deferred tax asset	(108)	(169)
Pension scheme liability	-	396
Investment movements	(232)	(214)
Property revaluation	-	(121)
Actual tax charge	-	-
Total net deferred tax (liability)	(340)	(108)

19 Pensions

Payments into the defined contribution/Group Stakeholder Pension Plan scheme of £594,000 (2022: £539,000) were due in the year, of which £95,000 (2022: £97,000) were outstanding at year-end.

The RPS Staff Pension Scheme is a Defined Benefit scheme closed to new entrants. The assets of the scheme are held separately, under the control of its Trustees, and the RPS does not have access to these funds. An actuarial assessment was carried out as at 31 December 2021.

In April 2012, the RPS closed the Scheme to future accrual, but continues to look at ways to reduce its exposure to the Scheme and limit the cost of maintaining the Scheme in the future. In accordance with the requirements of section 28 of FRS102, the Scheme actuary has carried out a valuation of the Scheme using the assumptions specified by the reporting standard. The assumptions used in calculating the expected return on assets and the Scheme's liabilities are detailed in the following disclosures.

The RPS valuation in accordance with FRS102 as at 31 December 2023 reveals a Scheme surplus of £3,193,000. This is a £1,588,000 reduction in the surplus of £4,781,000 disclosed as at 31 December 2022; these figures are quoted gross of deferred tax. In accordance with FRS102, an entity can only

recognise a plan surplus as a Defined Benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the Defined Benefit plan asset has been capped at £nil on the balance sheet.

As mentioned earlier, these standards require the use of different assumptions to those used by the actuary acting on behalf of the Trustee for the RPSGB Pension Scheme. As a consequence, these valuations can produce very different outcomes.

In addition to the contribution rates required to meet the cost of benefits earned by members in the future, the RPS continues to pay monthly contributions. From January 2023, these contributions will be set at a new agreed level of £25,000 per month until 2026. These contributions are designed to eliminate the shortfall revealed by the 31 December 2021 valuation.

The Employer will continue to monitor funding levels on, at least, an annual basis.

The total contributions for the year ended 31 December 2023 were £300,000 (2022: £700,000).

	2023	2022
	£000	£000
A The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(39,995)	(39,112)
Fair value of plan assets	43,188	43,893
Derecognition of surplus	(3,193)	(4,781)
Net asset (liability)	-	-

	2023	2022
	£000	£000
B Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	39,112	64,521
Benefits paid	(2,494)	(2,299)
Administration costs	191	218
Interest cost	1,823	1,143
Actuarial (gain) loss	1,363	(24,471)
Defined benefit obligation at end of year	39,995	39,112

	2023	2022
	£000	£000
C Changes in the fair value of the scheme assets are as follows		
Opening fair value of scheme assets	43,893	68,034
Interest income	2,060	1,213
Actuarial gain (loss)	(571)	(23,755)
Employer contributions	300	700
Benefits paid	(2,494)	(2,299)
Fair value of scheme assets at the year end	43,188	43,893

	2023	2022
	£000	£000
D The amounts included within the statement of income and retained earnings are as follows		
Past service costs including curtailments	-	-
Administration cost	(191)	(218)
Total amount charged within surplus as operating activities before tax	(191)	(218)

	2023	2022
E Analysis of pension finance costs	£000	£000
Interest on scheme assets	2,060	1,213
Interest on pension liabilities	(1,823)	(1,143)
Pension finance costs	237	70

	2023	2022
F Amount recognised in other comprehensive income	£000	£000
Actuarial loss on assets	(571)	(23,755)
Actuarial (loss) / gain on liabilities	(1,363)	24,471
Actuarial (loss) / gain recognised in other comprehensive income*	(1,934)	716

G The major categories of scheme assets as a percentage of total scheme	2023	2022
UK equities	4.7%	6.8%
Infrastructure funds	3.6%	4.9%
Short term credit	5.4%	8.9%
LDI	27.6%	23.5%
DGF	19.8%	6.8%
Insurance Contracts	29.7%	31.0%
Cash	9.2%	18.1%
Total	100.0%	100.0%

H Scheme principal assumptions at the balance sheet date (expressed as weighted averages)	2023	2022
Discount rate	4.50%	4.80%
Retail Prices Index (RPI) inflation	3.10%	3.30%
Consumer Prices Index (CPI) inflation	2.50%	2.60%
Rate of increase of pensions in deferment:		
LPI (max 5%) based on RPI	2.90%	2.05%
LPI (max 2.5%) based on RPI	2.00%	2.10%
LPI (max 3%) based on CPI	2.05%	3.05%

*As the pension scheme surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil by adjusting the actuarial gain.

	2023	2022	2021	2020	2019
I Historical trends	£000	£000	£000	£000	£000
Defined benefit obligation	39,995	39,112	64,521	71,595	65,052
Scheme assets	(43,188)	(43,893)	(68,034)	(69,112)	(63,105)
Surplus / (deficit)	3,193	4,781	3,513	(2,483)	(1,947)
Non-recognition of surplus	-	-	-	-	-
Experience adjustments on scheme liabilities	(1,363)	24,471	5,644	(7,449)	(2,785)
Experience adjustments on scheme assets	(571)	(23,755)	(122)	6,666	3,575

J Life expectancy	2023	2022
Retiring Now		
Males	26.2	26.8
Females	28.7	29.2
Retiring in 20 years		
Males	28.0	28.6
Females	30.2	30.7

20 Related Party Transaction

In 2023, payments for Board and Assembly related activities totalled £88,575 (2022: £87,227). These payments cover fixed allowances and expenses to undertake their roles, which may necessitate travel and accommodation to and from meetings where it is not possible or practical to participate remotely. Some members are released by employers, and certain members with extra responsibilities will be expected to represent RPS externally.

Thanks to their expertise within the pharmaceutical field, Assembly and Board members may also complete small pieces of editorial work or be engaged in the delivery of educational events on behalf of the RPS.

21 Member expenses

(AMOUNTS IN £)

Member	Position held	Attendance Fees	Travel	Accommodation	Mileage	Subsistence	Parking	Total
Luigi Martini	Assembly	861	-	-	-	-	-	861
Mary Lynne Smith	Assembly	2,612	169	-	-	-	10	2,791
Mike Hannay	Assembly	-	-	-	-	-	-	-
Ruth Edwards*	Assembly	502	6	116	-	34	-	658
Claire Anderson***	English Pharmacy Board, Assembly and President	24,172	1,865	3,743	451	133	185	30,549
Alisdair Jones***	English Pharmacy Board, Assembly and Treasurer	3,156	295	-	-	75	33	3,559
Sibby Buckle	English Pharmacy Board, Assembly and Treasurer	3,421	-	-	474	55	66	4,016
Brendon Jiang*	English Pharmacy Board and Assembly	2,296	319	-	140	-	32	2,787
Ciara Marie Duffy	English Pharmacy Board and Assembly	-	1,007	-	-	12	-	1,019
Erutase Oputu	English Pharmacy Board and Assembly	-	148	-	-	-	-	148
Martin Astbury**	English Pharmacy Board and Assembly	5,813	-	-	-	-	-	5,813
Sarwat Javed Khattak	English Pharmacy Board and Assembly	2,080	421	-	-	7	-	2,508
Thorrin Govind	English Pharmacy Board and Assembly	8,178	525	120	-	193	-	9,016
Ewan Maule	English Pharmacy Board	-	369	-	-	-	49	418
Adebayo Sulaiman Abayomi Adegbite	English Pharmacy Board	861	-	-	-	-	-	861
Danny Bartlett	English Pharmacy Board	1,147	210	-	-	-	-	1,357
Emma Boxer	English Pharmacy Board	-	-	-	-	-	-	-
Mary Evans	English Pharmacy Board	-	-	-	-	-	-	-
Michael Maguire	English Pharmacy Board	-	-	-	-	-	-	-
Paul Simon Summerfield	English Pharmacy Board	2,129	11	75	218	30	13	2,476
Andrew Carruthers*	Scottish Pharmacy Board and Assembly	4,200	251	-	-	-	-	4,451
Audrey Thompson	Scottish Pharmacy Board and Assembly	-	42	-	-	-	30	72

Member	Position held	Attendance Fees	Travel	Accommodation	Mileage	Subsistence	Parking	Total
Catriona Sinclair	Scottish Pharmacy Board	268	-	-	51	-	-	319
Jacqueline Sneddon	Scottish Pharmacy Board	-	-	-	-	-	-	-
Jill Swan	Scottish Pharmacy Board	1,134	209	-	-	-	-	1,343
Joshua Cowan Miller	Scottish Pharmacy Board	-	250	-	-	-	-	250
Kelsey Drummond	Scottish Pharmacy Board	-	-	-	-	-	-	-
Lola Dabiri	Scottish Pharmacy Board	1,608	156	-	130	-	-	1,894
Lucy Anne Dixon	Scottish Pharmacy Board	-	107	-	-	25	-	132
Richard John Shearer	Scottish Pharmacy Board	574	437	-	47	18	48	1,124
Tamara Cairney	Scottish Pharmacy Board	-	82	-	-	-	-	82
William Iain Bishop	Scottish Pharmacy Board	536	216	-	-	-	-	752
Cheryl Way	Welsh Pharmacy Board and Assembly	-	172	-	-	24	-	196
Geraldine Mary McCaffrey	Welsh Pharmacy Board and Assembly	2,219	417	-	-	-	60	2,696
Dylan Jones	Welsh Pharmacy Board	-	11	-	137	-	-	148
Elizabeth Jane Hallett	Welsh Pharmacy Board	834	97	-	-	-	-	931
Gareth Hughes	Welsh Pharmacy Board	-	-	-	-	-	-	-
Helen Davies	Welsh Pharmacy Board	-	127	-	-	-	-	127
Lowri Puw	Welsh Pharmacy Board	1,435	-	-	154	-	-	1,589
Rafia Jamil	Welsh Pharmacy Board	537	-	-	491	75	71	1,174
Rhiannon Lloyd Evans	Welsh Pharmacy Board	574	94	-	60	-	-	728
Richard Evans	Welsh Pharmacy Board	1,340	27	-	350	-	13	1,730
Jamie Hayes	Welsh Pharmacy Board	-	-	-	-	-	-	-
		72,487	8,041	4,054	2,705	680	608	88,575

* Attendance amounts include other pieces of work undertaken, such as Community Pharmacy Consultation Service (CPCS) facilitation.

** Amounts include stipend as a member of the Publishing Board.

*** Attendance fees are paid direct to the Member's employer.

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